

Comments from the Michigan Chapter, NASW, on SB 1293-1294**November 19, 2012**

The Michigan Chapter of the National Association of Social Workers, representing 6700 social workers throughout the state of Michigan, strongly requests the House Insurance Committee to fully fix the Medigap problem with the Blue Cross/Blue Shield legislation that is before you. Although we certainly understand the desire of Blue Cross/Blue Shield of Michigan to move legislation that addresses their fit under the Affordable Care Act, the needs of seniors and persons with disabilities are too significant not to take sufficient time to remedy this problem.

The changes in the Senate do not provide enough resources to fix this problem. The Chapter does not philosophically oppose the concept of some means testing to qualify for Medigap coverage that is subsidized by others, although it will add to the administrative costs and reduce the amount of funding that is available. However, the estimates we have heard are that the amount of money set aside for the foundation to make this coverage affordable for low and moderate income individuals suggest that only 12 ½% of the current subsidy would be provided. That is a very low "ceiling" for means testing and would make Medigap out of reach for many who have worked all their lives but are by no definition well to do.

If means testing is retained, the Chapter urges that it be simple and that it be spelled out in the legislation, most preferably as a percent of poverty. This will avoid excessive administrative costs and also respond to the issue of retaining dignity for seniors and people with disabilities, many of whom are reluctant to apply for benefits that smack of "welfare", regardless of their need for them. Social workers often see this problem with seniors who need food assistance, despite having worked all their lives.

Any suitable "fix" for this problem must address the needs of all Medicare recipients, whether they are eligible because of age, ESRD (End Stage Renal Disease), or disability. One amendment to address the issue has been widely circulated on behalf of State Attorney General Schuette, who has likewise identified the lack of affordable, accessible Medigap as a major problem with the legislation. While this amendment addresses most Medicare recipients that we have identified, it does not include some recipients who had previously had employer-paid insurance. The Chapter believes that those seniors should be included as well. There may be other ways to address the need for affordable, accessible Medicare supplemental policies, and we are open to those, as long as the needs of seniors, people with disabilities and individuals with ESRD are met.

Thank you for your consideration of the Chapter's concerns.